Appendix 6

B&NES Community Infrastructure Levy (CIL)

Information provided by Simon de Beer, Group Manager, Policy & Environment Development Division, B&NES Council

Background

1. By April 2015, the use of s.106 Planning Obligations to contribute to new infrastructure will be curtailed so that it relates only to on-site requirements. To make up the shortfall, Local Authorities (LA) can introduce a CIL. This is a tax charged on new development, the rate of which is determined by the viability of a development to pay the tax.

CIL Spend

1. The income yielded by CIL must be spent on infrastructure but is not tied to specific development in the way that s.106 payments are. Councils therefore have greater flexibility to spend CIL income. However when they prepare a CIL, they must specify broadly the types of infrastructure that they will be using CIL to fund. This is called the Regulation 123 schedule. This list does not need to set out the specific items at this stage, the more precise spend proposals will need further discussion a part of the Council’s budget setting and capital programme.
2. The spending issues are complicated by the act that whilst s.106 will be curtailed, LAs will still be able to pool contributions from up to 5 schemes towards infrastructure. However developers should not be required to pay twice ie pay CIL and s.106 for the same infrastructure. Therefore the B&NES Planning Obligations SPD is also being revised to clarify the CIL vs s.106 spend.

B&NES CIL Programme

1. The CIL charge is set out in a Draft Charging Schedule. The B&NES DCS & Reg 123 list are scheduled to be reported to B&NES Cabinet in July 2014 for agreement for public consultation. The overall programme is summarised below.

Local spend

1. 15 % of income generated in a local area must be given to the town or parish Council for them to spend on infrastructure, although this is capped. This spend must be on infrastructure. This proportion rises to 25 % in an area with an adopted Neighbourhood Plan.
2. In Bath which is unparished, the Council will remain the responsible spend authority but it is looking at delegation arrangements to ensure local spend in Bath is decided with local input (see annex 1 for government guidance on this issue).

Annex 1: Extract from the National Planning Policy Guidance June 2014

*Where there is no Parish, Town or Community Council, who receives the neighbourhood portion?*

Communities without a Parish, Town or Community Council will still benefit from the 15% neighbourhood portion (or 25% portion, if a neighbourhood plan or neighbourhood development order has been made). If there is no Parish, Town or Community Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans.

The Government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans), and using networks that ward councillors use. Crucially this consultation should be at the neighbourhood level. It should be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.

Where the charging authority retains the neighbourhood funding, they can use those funds on the wider range of spending that are open to local councils (see ‘[Can the levy be used to deliver Suitable Alternative Natural Greenspace?](http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/spending-the-levy/#paragraph_081)’, and [Regulation 59C](http://www.legislation.gov.uk/uksi/2013/982/regulation/8/made)). In deciding what to spend the neighbourhood portion on, the charging authority and communities should consider such issues as the phasing of development, the costs of different projects (e.g. a new road, a new school), the prioritisation, delivery and phasing of projects, the amount of the levy that is expected to be retained in this way and the importance of certain projects for delivering development that the area needs. Where a neighbourhood plan has been made, the charging authority and communities should consider how the neighbourhood portion can be used to deliver the infrastructure identified in the neighbourhood plan as required to address the demands of development. They should also have regard to the infrastructure needs of the wider area.

The charging authority and communities may also wish to consider appropriate linkages to the growth plans for the area and how neighbourhood levy spending might support these objectives.